

SERFF Tracking Number: TRAX-125642459 State: Arkansas
Filing Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC. State Tracking Number: EFT \$100
Company Tracking Number: WC AR0802701R01
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Adoption of NCCI AR WC Approved Voluntary Advisory
Project Name/Number: Adoption of NCCI AR WC Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008/WC AR0802701R01

Filing at a Glance

Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.
Product Name: Adoption of NCCI AR WC Approved Voluntary Advisory
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0004 Standard WC
Filing Type: Rate
Effective Date Requested (New): 07/01/2008
Effective Date Requested (Renewal):
State Filing Description:

SERFF Tr Num: TRAX-125642459 State: Arkansas
SERFF Status: Closed
Co Tr Num: WC AR0802701R01
Co Status:
Author: SPI Transguard
Date Submitted: 05/10/2008

State Tr Num: EFT \$100
State Status: Fees verified and received
Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding
Disposition Date: 05/12/2008
Disposition Status: Approved
Effective Date (New): 07/01/2008
Effective Date (Renewal):

General Information

Project Name: Adoption of NCCI AR WC Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008
Project Number: WC AR0802701R01
Reference Organization: NCCI - National Council on Compensation Insurance, Inc. (NCCI)
Reference Title:
Filing Status Changed: 05/12/2008
State Status Changed: 05/12/2008
Corresponding Filing Tracking Number:
Filing Description:

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:
Deemer Date:

In accordance with the filing requirements of your state, we hereby submit the captioned filing for your review and approval.

<i>SERFF Tracking Number:</i>	<i>TRAX-125642459</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>WC AR0802701R01</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Adoption of NCCI AR WC Approved Voluntary Advisory</i>		
<i>Project Name/Number:</i>	<i>Adoption of NCCI AR WC Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008/WC AR0802701R01</i>		

At this time, we are filing to adopt the NCCI advisory loss costs which were approved for use in your state effective July 1, 2008 as announced in NCCI Circular #AR-2008-06 and Filing Circular AR-2008-02 (NCCI Item Filing #AR-2008-02).

We are requesting a change in our LCM currently on file with your Department. Our TRANSGUARD rate pages reflecting the LCM change accompany this request. We have attached as support for our LCM request our Actuarial Memorandum, Arkansas Expense Ratio Exhibits and Rate of Return Exhibits.

This filing is being submitted under your Prior Approval statute. We request that this filing be applicable to all policies effective on or after July 1, 2008.

Company and Contact

Filing Contact Information

Gloria Goldbranson, Compliance Support Leader	Gloria.Goldbranson@Transguard.com
215 Shuman Blvd	(800) 796-2480 [Phone]
Naperville, IL 60563	(630) 864-3579[FAX]

Filing Company Information

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	CoCode: 28886	State of Domicile: Illinois
215 Shuman Blvd	Group Code: 225	Company Type: Property & Casualty
Suite 400		
Naperville, IL 60563	Group Name: IAT Reinsurance	State ID Number:
	Company Group	
(800) 796-2480 ext. [Phone]	FEIN Number: 36-3529298	

Filing Fees

Fee Required?	Yes
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SERFF Tracking Number: *TRAX-125642459* *State:* *Arkansas*

Filing Company: *TRANSGUARD INSURANCE COMPANY OF* *State Tracking Number:* *EFT \$100*
AMERICA, INC.

Company Tracking Number: *WC AR0802701R01*

TOI: *16.0 Workers Compensation* *Sub-TOI:* *16.0004 Standard WC*

Product Name: *Adoption of NCCI AR WC Approved Voluntary Advisory*

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to Be Effective July 1, 2008/WC AR0802701R01

Fee Amount: **\$100.00**

Retaliatory? **No**

Fee Explanation:

Per Company: **No**

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	\$100.00	05/10/2008	20239066

SERFF Tracking Number: TRAX-125642459 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	05/12/2008	05/12/2008

SERFF Tracking Number: TRAX-125642459 State: Arkansas

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Disposition

Disposition Date: 05/12/2008

Effective Date (New): 07/01/2008

Effective Date (Renewal):

Status: Approved

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	-19.200%	\$-8,998	18	\$46,867	-22.500%	-13.900%	-19.200%

SERFF Tracking Number: TRAX-125642459 State: Arkansas

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Arkansas - Actuarial Memorandum	Approved	Yes
Supporting Document	Arkansas - Rate of Return Exhibits	Approved	Yes
Supporting Document	Arkansas - Expense Ratio Exhibits	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Rate	Rate Revision effective 07/01/08	Approved	Yes

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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval

Rate Change Type: Decrease

Overall Percentage of Last Rate Revision: 5.200%

Effective Date of Last Rate Revision: 01/01/2008

Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	-19.200%	-19.200%	\$-8,998	18	\$46,867	-22.500%	-13.900%

SERFF Tracking Number: TRAX-125642459 State: Arkansas

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Rate Revision effective 07/01/08	S1-S6	Replacement	S1-S6.PDF

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

ARKANSAS

Rates

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Effective July 1, 2008

Original Printing

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
0005	6.44	750	1852D	2.49	409	2534	2.16	376	3081D	2.89	449	3632	4.02	562
0008	2.62	422	1853	2.32	392	2570	4.96	656	3082D	3.90	550	3634	1.71	331
0016	5.64	724	1860	1.96	356	2576	—	—	3085D	3.25	485	3635	2.08	368
0034	4.33	593	1924	4.25	585	2578	—	—	3110	2.86	446	3638	1.48	308
0035	2.59	419	1925	2.94	454	2585	3.10	470	3111	2.99	459	3642	0.85	245
0036	4.12	572	2001	2.39	399	2586	1.33	293	3113	2.36	396	3643	2.97	457
0037	4.65	625	2002	3.00	460	2587	2.91	451	3114	2.62	422	3647	3.37	497
0042	6.41	750	2003	3.39	499	2589	1.44	304	3118	1.21	281	3648	2.16	376
0050	5.21	681	2014	6.37	750	2600	6.41	750	3119	1.10	270	3681	1.56	316
0059D	0.30	190	2016	1.99	359	2623	2.82	442	3122	1.51	311	3685	1.79	339
0065D	0.05	165	2021	3.34	494	2651	2.64	424	3126	1.73	333	3719	2.62	422
0066D	0.05	165	2039	4.47	607	2660	1.46	306	3131	1.05	265	3724	6.82	750
0067D	0.05	165	2041	4.28	588	2670	2.31	391	3132	2.47	407	3726	3.04	464
0079	4.25	585	2065	1.61	321	2683	1.98	358	3145	2.39	399	3803	1.91	351
0083	9.79	750	2070	5.48	708	2688	3.05	465	3146	2.76	436	3807	2.11	371
0106	11.45	750	2081	3.87	547	2701	7.42	750	3169	2.46	406	3808	2.76	436
0113	5.74	734	2089	2.54	414	2702X	30.26	750	3175D	2.86	446	3821	4.15	575
0170	2.47	407	2095	2.74	434	2710	8.81	750	3179	2.41	401	3822	3.64	524
0251	5.06	666	2105	2.44	404	2714	4.18	578	3180	1.79	339	3824	4.86	646
0400	8.10	750	2110	2.14	374	2719X	11.11	750	3188	1.53	313	3826	0.88	248
0401	11.06	750	2111	2.52	412	2731	3.72	532	3220	1.89	349	3827	1.58	318
0771N	0.30	190	2112	2.72	432	2735	2.61	421	3223	3.00	460	3830	1.13	273
0908P	142.76	303	2114	2.69	429	2759	8.48	750	3224	2.46	406	3851	2.66	426
0909	—	—	2121	2.24	384	2790	1.56	316	3227	1.83	343	3865	1.28	288
0912	—	—	2130	2.81	441	2802	5.28	688	3240	3.04	464	3881	3.54	514
0913P	351.92	512	2131	1.89	349	2812	3.70	530	3241	2.82	442	4000	7.25	750
0917	3.93	553	2143	2.19	379	2835	1.61	321	3255	2.34	394	4021	5.94	750
1005*	11.07	750	2150	—	—	2836	2.26	386	3257	3.42	502	4024E	2.22	382
1016X*	41.32	750	2156	—	—	2841	3.74	534	3270	3.24	484	4034	6.97	750
1164E	7.15	750	2157	4.07	567	2881	2.52	412	3300	4.48	608	4036	2.52	412
1165E	4.71	631	2172	1.58	318	2883	4.10	570	3303	3.83	543	4038	2.17	377
1320	2.94	454	2174	2.94	454	2913	4.10	570	3307	3.37	497	4053	3.45	505
1322	15.77	750	2211	5.49	709	2915	4.27	587	3315	2.64	424	4061	4.25	585
1430	4.35	595	2220	1.96	356	2916	2.34	394	3334	2.14	374	4062	2.31	391
1438	2.44	404	2286	1.43	303	2923	2.41	401	3336	2.21	381	4101	2.01	361
1452	1.69	329	2288	4.05	565	2942	2.36	396	3365	10.26	750	4111	3.07	467
1463	11.69	750	2300	2.14	374	2960	3.24	484	3372	2.86	446	4112	0.95	255
1472	4.07	567	2302	1.71	331	3004	2.76	436	3373	2.91	451	4113	1.33	293
1624E	7.62	750	2305	2.14	374	3018	2.57	417	3383	1.08	268	4114	2.22	382
1642	4.10	570	2361	1.21	281	3022	3.19	479	3385	0.88	248	4130	4.57	617
1654	6.29	750	2362	1.76	336	3027	2.69	429	3400	2.72	432	4131	2.44	404
1655	4.96	656	2380	4.53	613	3028	2.32	392	3507	3.10	470	4133	2.41	401
1699	2.01	361	2386	1.13	273	3030	4.03	563	3515	2.19	379	4150	1.68	328
1701	3.10	470	2388	1.93	353	3040	3.74	534	3548	1.36	296	4206	3.69	529
1710E	6.14	750	2402	2.16	376	3041	3.34	494	3559	2.61	421	4207	1.01	261
1741E	1.86	346	2413	1.69	329	3042	3.19	479	3574	1.13	273	4239	1.28	288
1745X	3.00	460	2416	1.68	328	3064	4.61	621	3581	1.44	304	4240	2.47	407
1747	2.62	422	2417	1.58	318	3066	—	—	3612	2.21	381	4243	1.68	328
1748	7.49	750	2501	1.36	296	3069	7.92	750	3620	5.83	743	4244	2.97	457
1803D	5.38	698	2503	1.34	294	3076	2.97	457	3629	1.96	356	4250	1.49	309

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

* Refer to Footnotes Page for additional information on this class code.

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

ARKANSAS

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

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Rates

Original Printing

Effective July 1, 2008

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
4251	1.78	338	4828	1.68	328	5703	97.87	750	7098M	30.18	750	7610	0.58	218
4263	2.21	381	4829	1.21	281	5705	5.73	733	7099M	48.62	750	7611	5.73	733
4273	1.93	353	4902	1.34	294	5951	0.43	203	7133	3.74	534	7612	12.77	750
4279	1.81	341	4923	1.11	271	6003	10.72	750	7151M	4.53	613	7613	5.10	670
4282	2.12	372	5020	7.39	750	6005	8.15	750	7152M	8.12	750	7704	—	—
4283	1.98	358	5022	5.31	691	6017	4.18	578	7153M	5.05	100	7705	2.81	441
4299	1.76	336	5037	20.83	750	6018	2.27	387	7222	10.46	750	7710	6.29	750
4304	2.77	437	5040	27.94	750	6045	2.64	424	7228X	7.42	750	7711	6.29	750
4307	2.21	381	5057	19.99	750	6204	10.67	750	7229X	7.79	100	7720X	2.81	441
4308	—	—	5059	23.74	750	6206	6.77	750	7230	4.38	598	7855	6.77	750
4351	1.15	275	5069	29.98	750	6213	8.91	750	7231	5.81	741	8001	2.42	402
4352	1.01	261	5102	4.40	600	6214	3.00	460	7232	13.71	750	8002	3.54	514
4360	0.91	251	5146	5.38	698	6216	6.94	750	7309F	24.47	750	8006	2.11	371
4361	1.33	293	5160	3.80	540	6217	5.43	703	7313F	6.94	750	8008	1.33	293
4362	1.16	276	5183	3.77	537	6229	5.38	698	7317F	10.97	750	8010	2.06	366
4410	3.22	482	5188	4.81	641	6233	5.86	746	7327F	32.39	750	8013	0.53	213
4420	3.88	548	5190	3.45	505	6235	15.59	750	7333M	5.88	748	8015	0.70	230
4431	1.49	309	5191X	1.99	359	6236	12.83	750	7335M	6.52	750	8017	1.28	288
4432	1.61	321	5192	4.30	590	6237	3.29	489	7337M	10.51	750	8018X*	2.74	434
4439	1.69	329	5213	7.59	750	6251D	8.55	750	7350F	21.12	750	8021	2.03	363
4452	3.27	487	5215	4.53	613	6252D	6.39	750	7360	7.57	750	8031	4.22	582
4459	1.88	348	5221	5.58	718	6260D	5.64	724	7370	5.35	695	8032	1.73	333
4470	2.39	399	5222	12.88	750	6306	6.08	750	7380X	3.69	529	8033	2.06	366
4484	2.09	369	5223	5.68	728	6319	5.93	750	7382	3.04	464	8039	1.49	309
4493	2.54	414	5348	4.40	600	6325	4.95	655	7390	3.93	553	8044	3.00	460
4511	0.75	235	5402	4.88	648	6400	7.42	750	7394M	11.92	750	8045	0.45	205
4557	1.71	331	5403	10.09	750	6504	2.56	416	7395M	13.25	750	8046	2.91	451
4558	1.66	326	5437	4.78	638	6702M*	8.23	750	7398M	21.35	750	8047	1.16	276
4561	1.99	359	5443	4.33	593	6703M*	14.72	750	7403	3.15	475	8050	—	—
4568	2.61	421	5445	5.43	703	6704M*	9.15	750	7405N	1.25	285	8058	2.99	459
4581	1.74	334	5462	5.73	733	6801F	12.55	750	7409*	—	—	8072	0.88	248
4583	5.33	693	5472	5.21	681	6811	5.51	711	7420X*	27.32	750	8102	2.76	436
4611	0.96	256	5473	7.14	750	6824F	36.14	750	7421	2.89	449	8103	4.07	567
4635	4.96	656	5474	7.84	750	6826F	13.86	750	7422	2.44	404	8105	5.26	686
4653	1.29	289	5478	4.76	636	6834	3.90	550	7423	—	—	8106	4.17	577
4665	6.72	750	5479	8.43	750	6836	6.36	750	7425	4.52	612	8107	3.55	515
4670	3.85	545	5480	8.53	750	6843F	16.14	750	7431N	1.84	344	8111	4.10	570
4683	4.91	651	5491	2.21	381	6845F	24.49	750	7445N	0.66	226	8116	4.57	617
4686	1.28	288	5506	3.98	558	6854	5.51	711	7453N	1.00	260	8203	5.99	750
4692	0.48	208	5507	5.99	750	6872F	21.03	750	7502	2.71	431	8204	5.20	680
4693	0.93	253	5508D	10.11	750	6874F	43.03	750	7515	1.16	276	8209	3.25	485
4703	2.42	402	5535	7.92	750	6882	5.51	711	7520	2.46	406	8215	6.24	750
4717	1.79	339	5536	—	—	6884	12.45	750	7538	11.01	750	8227	3.40	500
4720	5.25	685	5537	5.23	683	7016M	4.90	650	7539	4.71	631	8232	6.86	750
4740	1.54	314	5538	—	—	7024M	5.44	704	7540	3.09	469	8233	5.58	718
4741	1.76	336	5551	15.21	750	7038M	6.18	750	7580	2.04	364	8235	4.50	610
4751	1.49	309	5606	1.81	341	7046M	27.16	750	7590	5.64	724	8263	10.16	750
4771N	1.71	331	5610	5.93	750	7047M	8.76	750	7600	2.84	444	8264	3.67	527
4777	1.74	334	5645	12.10	750	7050M	11.04	750	7601	12.80	750	8265	10.11	750
4825	0.90	250	5651	8.98	750	7090M	6.86	750	7605	3.57	517	8279	9.71	750

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

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TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Rates
Effective July 1, 2008

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CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
8288	6.54	750	9012	2.11	371			
8291	2.27	387	9014	3.02	462			
8292	3.24	484	9015X	2.62	422			
8293	7.45	100	9016	6.77	750			
8295X	8.15	750	9019	3.22	482			
8304	7.50	750	9033	2.14	374			
8350	6.18	750	9040*	3.83	543			
8380	3.87	547	9052	1.69	329			
8381	1.63	323	9058	1.94	354			
8385	2.62	422	9059	3.00	460			
8392	3.27	487	9060	1.98	358			
8393	1.86	346	9061	1.51	311			
8500	6.91	750	9063	1.08	268			
8601	0.90	250	9077F	4.61	621			
8606	3.04	464	9082	1.74	334			
8709F	8.70	750	9083	1.76	336			
8719	2.04	364	9084	2.04	364			
8720	1.48	308	9089	1.25	285			
8721	0.43	203	9093	1.53	313			
8726F	9.98	750	9101	3.29	489			
8734M	0.70	230	9102	3.17	477			
8737M	0.63	223	9110	—	—			
8738M	1.11	271	9154	2.11	371			
8742X	0.51	211	9156	1.43	303			
8745	4.98	658	9170	3.02	462			
8748	0.45	205	9178	28.52	750			
8755	0.28	188	9179	39.13	750			
8799	1.05	265	9180	4.03	563			
8800	1.05	265	9182	2.94	454			
8803	0.08	168	9186	57.95	750			
8805M	0.37	197	9220	3.70	530			
8810	0.27	187	9402	4.68	628			
8814M	0.32	192	9403	6.23	750			
8815M	0.58	218	9410	1.91	351			
8820	0.23	183	9501	4.78	638			
8824	2.69	429	9505	4.15	575			
8825	2.29	389	9516	3.54	514			
8826	2.42	402	9519	1.99	359			
8829	2.92	452	9521	5.76	736			
8831	2.86	446	9522	1.71	331			
8832	0.30	190	9534	7.60	750			
8833X*	0.98	258	9554	8.07	750			
8835	2.14	374	9586	0.71	231			
8842	1.59	319	9600	1.78	338			
8861	—	—	9620	1.44	304			
8864	1.59	319						
8868	0.42	202						
8869	0.80	240						
8871	0.25	185						
8901	0.28	188						

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

* Refer to Footnotes Page for additional information on this class code.

Effective July 1, 2008

FOOTNOTES

- D Rate for classification already includes the specific disease loading shown in the table below--See Rule 3-A-7 of Basic Manual.
- E Rate for classification already includes the specific disease loading shown in the table below.

Code No.	Specific Disease Loadings	Disease Symbol	Code No.	Specific Disease Loadings	Disease Symbol
0059D	0.18	S	1852D	0.03	Asb
0065D	0.03	S	3081D	0.03	S
0066D	0.03	S	3082D	0.03	S
0067D	0.03	S	3085D	0.03	S
1164E	0.05	S	3175D	0.02	S
1165E	0.02	S	4024E	0.01	S
1624E	0.03	S	5508D	0.02	S
1710E	0.03	S	6251D	0.04	S
1741E	0.15	S	6252D	0.02	S
1803D	0.15	S	6260D	0.02	S

Asb=Asbestos, S=Silica

- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate contains a provision for federal assessment.
- M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA). A provision for the USL & HW assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

Class Codes with Specific Footnotes

- 1005 Rate includes a non-ratable disease element of **\$3.26**. (For coverage written separately for federal benefits only, **\$2.15**. For coverage written separately for state benefits only, **\$1.11**.)
- 1016 Rate includes a non-ratable disease element of **\$13.02** (For coverage written separately for federal benefits only, **\$8.58**. For coverage written separately for state benefits only, **\$4.44**.) It also includes a catastrophe loading of **\$0.08**. Refer to the Manual of Underground Coal Mine Rules, Classifications, and Rates for the rules applicable to the use of this classification code.
- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x **1.215**.
- 6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x **2.175** and elr x **2.032**.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x **1.35**.
- 7409 The ELR on the rate page is based on payroll subject to a maximum of \$750 per week per employee. Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005. An ELR of **7.71** should be applied to policies with effective dates on or after January 1, 2005 (\$600 payroll limitation). An ELR of **15.43** should be applied to policies with effective dates prior to January 1, 2005 (\$300 payroll limitation).
- 7420 Payroll is subject to a maximum of \$750 per week per employee effective July 1, 2008. The ELR on the rate page should be applied to policies with effective dates on or after July 1, 2008 (\$750 payroll limitation). An ELR of **7.71** should be applied to policies with effective dates prior to July 1, 2008 and on or after July 1, 2006 (\$600 payroll limitation). An ELR of **5.65** should be applied to policies with effective dates prior to July 1, 2006 (uncapped payroll).
- 8018 See Arkansas Special Classification for Warehousing-groceries exclusively.
- 8833 The ex-medical cost for this classification is **\$0.30**. A charge of **\$0.10** is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.
- 9040 The ex-medical cost for this classification is **\$1.11**. A charge of **\$0.10** is to be added to this class' rate whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES.

Effective July 1, 2008

MISCELLANEOUS VALUES

Percentage Premium Reductions - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis:

Total Losses							
	Hazard Groups						
Deductible Amount	A	B	C	D	E	F	G
\$ 1,000	11.4%	9.1%	7.8%	6.5%	5.4%	3.8%	2.8%
1,500	13.9%	11.2%	9.5%	8.1%	6.8%	4.7%	3.6%
2,000	15.8%	12.9%	11.0%	9.4%	8.0%	5.7%	4.3%
2,500	17.6%	14.3%	12.3%	10.6%	8.9%	6.5%	4.9%
3,000	19.1%	15.6%	13.5%	11.6%	9.9%	7.2%	5.4%
3,500	20.5%	16.7%	14.5%	12.5%	10.7%	7.9%	6.0%
4,000	21.7%	17.8%	15.6%	13.5%	11.5%	8.5%	6.5%
4,500	22.9%	18.8%	16.5%	14.3%	12.3%	9.1%	6.9%
5,000	24.0%	19.8%	17.3%	15.1%	13.0%	9.7%	7.4%

Medical Losses Only							
	Hazard Groups						
Deductible Amount	I	II	III	IV	IV	IV	IV
\$ 1,000	11.0%	8.8%	7.5%	6.2%	5.3%	3.6%	2.6%
1,500	13.3%	10.7%	9.1%	7.7%	6.5%	4.5%	3.2%
2,000	15.0%	12.1%	10.4%	8.8%	7.4%	5.2%	3.9%
2,500	16.4%	13.3%	11.5%	9.7%	8.2%	5.9%	4.4%
3,000	17.6%	14.4%	12.4%	10.6%	8.9%	6.4%	4.8%
3,500	18.6%	15.3%	13.2%	11.3%	9.6%	6.9%	5.3%
4,000	19.7%	16.1%	14.0%	12.0%	10.2%	7.4%	5.6%
4,500	20.6%	16.9%	14.7%	12.7%	10.8%	7.9%	6.0%
5,000	21.4%	17.6%	15.3%	13.2%	11.3%	8.3%	6.3%

Indemnity Losses Only							
	Hazard Groups						
Deductible Amount	I	II	III	IV	IV	IV	IV
\$ 1,000	2.4%	1.8%	1.7%	1.6%	1.4%	1.1%	0.9%
1,500	3.2%	2.5%	2.4%	2.2%	1.9%	1.7%	1.2%
2,000	4.0%	3.2%	3.0%	2.8%	2.5%	2.0%	1.6%
2,500	4.7%	3.9%	3.5%	3.3%	2.9%	2.5%	1.8%
3,000	5.4%	4.4%	4.0%	3.8%	2.5%	2.8%	2.1%
3,500	6.0%	4.9%	4.6%	4.2%	3.8%	3.2%	2.4%
4,000	6.6%	5.4%	5.0%	4.6%	4.1%	3.5%	2.6%
4,500	7.1%	5.9%	5.4%	5.0%	4.5%	3.8%	2.9%
5,000	7.6%	6.3%	5.8%	5.4%	4.8%	4.0%	3.2%

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

Page S6

ARKANSAS

Original Printing

Effective July 1, 2008

MISCELLANEOUS VALUES

Basis of Premium applicable in accordance with the footnote instructions for Code:

7370 -- Taxicab Co.	
Employee operated vehicles	\$48,893.00
Leased or rented vehicles.....	\$32,595.00

7420 -- Aviation - Aerial Applicatin, Seeding, Herding or Scintillometer Surveying - Flying Crew	
maximum payroll per week per employee	\$750.00

Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents (Voluntary Rate) \$0.02

Foreign Terrorism (Voluntary Rate)..... \$0.03

Expense Constant applicable in accordance with **Basic Manual** Rule 3-A-11 for risks developing less than \$4,740.00

in Annual Standard Premium	\$40.00
----------------------------------	---------

Expense Constant applicable in accordance with **Basic Manual** Rule 3-A-11 for risks developing at least \$4,740.00

in Annual Standard Premium	\$160.00
----------------------------------	----------

Maximum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 - Executive

Officers and the footnote instructions for Code 9178 Athletic Team: Non-Contact Sports,
Code 9179 - "Athletic Team: Contact Sports", and Code 9186 - "Carnival- -Traveling \$2,500.00

Minimum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 - "Executive Officer \$300.00

Per Passenger Seat Surcharge - In accordance with the footnote instructions for Classification Code 7421, the

surcharge is..... \$1.00 per passenger seat
..... \$1.000 maximum surcharge per aircraft

Premium Determination for Partners and Sole Proprietors, and Members of Limited Liability Companies

in accordance with Basic Manual Rule Exception 2- \$31,900.00

Premium Discount Percentages - (See **Basic Manual** Rule 3-A-19-a.) The following premium discounts are applicable to Standard Premiums:

			Type A
First	\$5,000		0.0%
Next	95,000		10.9%
Next	400,000		12.6%
Over	500,000		14.4%

United States Longshore and Harbor Workers Compensation Coverage Percentage applicable only in

connection with **Basic Manual** Rule 3-A-4 86%

(Multiply a Non-F classification rate by a factor of 1.86 to adjust for differences in benefits and loss based expenses. This factor is the product of the adjustment for differences in benefits (1.67) and the adjustment for differences in loss-based expenses (1.116).)

Experience Rating Eligibility

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the **Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts by state.

SERFF Tracking Number: TRAX-125642459 State: Arkansas
Filing Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC. State Tracking Number: EFT \$100
Company Tracking Number: WC AR0802701R01
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Adoption of NCCI AR WC Approved Voluntary Advisory
Project Name/Number: Adoption of NCCI AR WC Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values
to Be Effective July 1, 2008/WC AR0802701R01

Supporting Document Schedules

Review Status:
Satisfied -Name: Uniform Transmittal Document-
Property & Casualty Approved 05/12/2008

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - NAIC RATE RULE FILING SCHEDULE.PDF

Review Status:
Satisfied -Name: NAIC Loss Cost Filing Document
for Workers' Compensation Approved 05/12/2008

Comments:

Attachment:

AR - NAIC LC FILING DOC RF-WC.PDF

Review Status:
Satisfied -Name: Cover Letter Approved 05/12/2008

Comments:

Attachment:

Cover Letter.PDF

Review Status:
Satisfied -Name: Arkansas - Actuarial Memorandum Approved 05/12/2008

Comments:

Attachment:

Arkansas - Actuarial Memorandum.PDF

Review Status:
Satisfied -Name: Arkansas - Rate of Return Exhibits Approved 05/12/2008

Comments:

SERFF Tracking Number: TRAX-125642459 State: Arkansas
Filing Company: TRANSGUARD INSURANCE COMPANY OF AMERICA, INC. State Tracking Number: EFT \$100
Company Tracking Number: WC AR0802701R01
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: Adoption of NCCI AR WC Approved Voluntary Advisory
Project Name/Number: Adoption of NCCI AR WC Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008/WC AR0802701R01

Satisfied -Name: Arkansas - Expense Ratio Exhibits **Review Status:** Approved 05/12/2008
Comments:
Attachment:
Arkansas - Expense Ratio Exhibits.PDF

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 05/12/2008
Comments:
Attachment:
AR - RATE FILING ABSTRACT RF-1.PDF


Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
g. SERFF Filing #:		
h. Subject Codes		

3. Group Name	Group NAIC #			
IAT Reinsurance Company Group	0225			
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	IL	28886	36-3529298	

5. Company Tracking Number	WC AR0802701R01
-----------------------------------	-----------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Gloria A. Goldbranson 215 Shuman Blvd, Suite 400 Naperville IL 60563	Compliance Support Leader	800-796-2480 Ext. 3477	630-864-3579	Gloria.Goldbranson@Transguard.com
<div style="text-align: center;">  </div>				
7. Signature of authorized filer				
8. Please print name of authorized filer	Gloria A. Goldbranson			

Filing Information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	16.0 Workers Compensation
10. Sub-Type of Insurance (Sub-TOI)	16.0004 Standard WC
11. State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12. Company Program Title (Marketing Title)	Adoption of NCCI AR WC Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008
13. Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 07/01/2008 Renewal: 07/01/2008
15. Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	NCCI - National Council on Compensation Insurance, Inc. (NCCI)
17. Reference Organization # & Title	NCCI ITEM FILING # AR-2008-02
18. Company's Date of Filing	05/10/08
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	WC AR0802701R01
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

In accordance with the filing requirements of your state, we hereby submit the captioned filing for your review and approval.

At this time, we are filing to adopt the NCCI advisory loss costs which were approved for use in your state effective July 1, 2008 as announced in NCCI Circular #AR-2008-06 and Filing Circular AR-2008-02 (NCCI Item Filing #AR-2008-02).

We are requesting a change in our LCM currently on file with your Department. Our TRANSGUARD rate pages reflecting the LCM change accompany this request. We have attached as support for our LCM request our Actuarial Memorandum, Arkansas Expense Ratio Exhibits and Rate of Return Exhibits.

This filing is being submitted under your Prior Approval statute. We request that this filing be applicable to all policies effective on or after July 1, 2008.

22.	Filing Fees (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<div style="margin-bottom: 20px;"> Check #: EFT Amount: \$100 </div> <div style="text-align: center; margin-top: 100px;"> Refer to each state's checklist for additional state specific requirements or instructions on calculating fees. </div>	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PROPERTY & CASUALTY RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	WC AR0802701R01
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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☐ Rate Increase

☒ Rate Decrease

☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
----	--	----------------

4a.	Rate Change by Company (As Proposed)						
-----	---	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	-19.2	-19.2	-8998	18	46867	-22.5	-13.9

4b.	Rate Change by Company (As Accepted) For State Use Only						
-----	--	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum %Change (where required)	Minimum %Change (where required)

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication(when applicable)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing - Number of policyholders affected		

6.	Overall percentage of last rate revision	5.2
----	--	-----

7.	Effective Date of last rate revision	01/01/2008
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
----	--	----------------

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	S1-S6 07-08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This filing transmittal is part of Company Tracking #	WC AR0802701R01
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A

- ☒ **Loss Cost Reference Filing** NCCI ITEM FILING #AR-2008-02 ☐ **Independent Rate Filing**
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

- 2. Does this filing apply to all class codes?** Yes If no, complete a copy of this form for each affected class with appropriate justification.

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(Check One)

- ☒ Without Modification (factor = 1.000)
☐ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) _____

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.000

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

- 4. Development of Expected Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)**

PROJECTED EXPENSES: Compared to standard premium at company rates.

			Selected Provisions	
	A.	Total Production Expense	19.1	%
	B.	General Expense	8.8	%
	C.	Taxes, Licenses & Fee	5.9	%
	D.	Underwriting profit & Contingencies*	4.3	%
	E.	Other (explain)	0.0	%
	F.	Total	38.1	%
		* Explain how investment income is taken into account		

5.	A.	Expected Loss Ratio: ELR = 100% - 4F =	61.9
	B.	ELR in Decimal Form =	0.619

NAIC LOSS COST FILING DOCUMENT—*FOR WORKERS' COMPENSATION*

6.	Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	1.011
7.	Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914)	0.976
8.	Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]	1.66
9.	Company Selected Loss Cost Multiplier = (Attach explanation for any difference between 6 and 7)	1.66

- | | | Yes | No |
|------------|---|--------------------------|-------------------------------------|
| 10. | Are you amending your minimum premium formula? If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. | Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level changes. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |



215 Shuman Blvd., Suite 400
Naperville, IL 60563

May 10, 2008

Commissioner Julie Benafield Bowman
Attn: Property & Casualty Division
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

Sent via SERFF

RE: Workers Compensation
Adoption of NCCI AR WC Approved Voluntary Advisory Loss Costs and Rating
Values and Assigned Risk Rates and Rating Values to Be Effective July 1, 2008
TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.
NAIC#: 0225-28886 FEIN: 36-3529298
Filing#: WC AR0802701R01

Dear Property & Casualty Division:

In accordance with the filing requirements of your state, we hereby submit the captioned filing for your review and approval.

At this time, we are filing to adopt the NCCI advisory loss costs which were approved for use in your state effective July 1, 2008 as announced in NCCI Circular #AR-2008-06 and Filing Circular AR-2008-02 (**NCCI Item Filing #AR-2008-02**).

We are requesting a change in our LCM currently on file with your Department. Our TRANSGUARD rate pages reflecting the LCM change accompany this request. We have attached as support for our LCM request our Actuarial Memorandum, Arkansas Expense Ratio Exhibits and Rate of Return Exhibits.

This filing is being submitted under your Prior Approval statute. We request that this filing be applicable to all policies effective on or after July 1, 2008.

Your prompt attention to this matter is appreciated. If you have any questions or require additional information, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink that reads 'Gloria Goldbranson'.

Gloria A. Goldbranson
Compliance Support Leader
Phone: 800-796-2480 Ext. 3477
Fax: 630-864-3579
Email: Gloria.Goldbranson@Transguard.com

Enclosure(s)

Transguard Insurance Company of America, Inc.

Actuarial Memorandum

I. History

Transguard Insurance Company of America, Inc. began writing direct workers' compensation business in 2004. Our Direct Written Premium for 2007 in [Arkansas](#) was \$46,867.

II. Expense Assumptions

We are filing for an increase in our Loss Cost Multiplier (LCM) to update our expense assumptions.

In the current filing, we are using our own expense experience for commissions, other acquisition expense, premium discounts and expense constants. Our expense ratio to Standard Premium is estimated to be 38.1%, which includes a 4.3% Profit & Contingencies assumption.

Our projected expenses for Commission and Taxes are based on [Arkansas](#) specific data. Our projected expenses for Other Acquisition and General Expense are based on our 2005, 2006 & 2007 countrywide Insurance Expense Exhibits. Details of our expense estimates are provided in Exhibit 2.

III. Overall Rate Change

The overall indicated rate change, reflecting the increase in the Loss Cost Multiplier for the new expense assumption and the loss experience is -19.2%. The indications by class code are shown in the table below:

Estimated Impact of Changes in Loss Costs and Changes in Rate

Class	Payroll	Current Loss Cost	Proposed Loss Cost	Change in Loss Cost	Current Rate	Proposed Rate	Change in Rate
7228	13,037	5.61	4.47	-20.3%	9.09	7.42	-18.4%
7229	11,818	5.58	4.69	-15.9%	9.04	7.79	-13.9%
8293	20,918	5.94	4.49	-24.4%	9.62	7.45	-22.5%
Total	45,773	5.75	4.54	-21.2%	9.32	7.53	-19.2%

We have 18 policyholders affected by this rate change, with premium of approximately \$46,867. The overall dollar impact of the rate change is estimated to be -\$8,998.

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

DERIVATION OF TARGET RATE OF RETURN

(1) Historical Annual Return on US Treasury Bills (1926-2003) (a)	3.7%
(2) Historical Annual Return on Large Company Stocks (1926-2003) (a)	10.4%
(3) Historical Margin Over Risk-Free Rate [(2) - (1)]	6.7%
(4) Current Risk-Free Rate (b)	3.2%
(5) Target Rate of Return [(3)+(4)] (c)	9.9%

Notes: (a) From Ibbotson Associates 2004 Yearbook

(b) Current 3 month Treasury Bill Rate (January 2008)

(c) Based on application of the Capital Asset Pricing Model.

Assumes that the β of large company stocks is 1.00

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

CALCULATION OF POST-TAX INVESTMENT YIELD

(1) Historical Average Return Intermediate-Term Government Bonds (1926-2003)	5.4%
(2) Historical Annual Return on US Treasury Bills (1926-2003) (a)	3.7%
(3) Historical Margin Over Risk-Free Rate [(1) - (2)]	1.7%
(4) Current Risk-Free Rate (b)	3.2%
(5) Pre-Tax Investment Yield [(3) + (4)] (c)	4.9%
(6) Assumed Tax Rate on Investments (d)	20.0%
(7) Post-Tax Investment Yield [(5) x {1.0 - (6)}]	3.9%

Notes: (a) From Ibbotson Associates 2004 Yearbook

(b) Current 3 month Treasury Bill Rate (January 2008)

(c) Based on application of the Capital Asset Pricing Model.

Assumes that the β of large company stocks is 1.00

(d) Based on a corporate tax rate of 35% and the assumption that some investment income is not subject to tax.

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.**WORKERS COMPENSATION
ARKANSAS****ESTIMATED INVESTMENT INCOME ON
UNEARNED PREMIUM AND LOSS RESERVES****I. Unearned Premium Reserve**

A. Direct Earned Premium (a)	\$ 1.00
B. Mean Unearned Premium Reserve (b)	0.31
C. Deduction for Prepaid Expenses (c)	
1. Commissions and Brokerage	11.1 %
2. 50% of Remaining Acquisition Costs	7.0
3. 50% of General Expense	4.4
4. Total	22.5 %
D. Deduction for Federal Taxes Payable (35% x 20%)	7.0 %
E. [B x (C + D)]	0.09
F. Net Subject to Investment [B - E]	0.22

II. Delayed Remission of Premiums

A. Direct Earned Premium (a)	1.00
B. Average Agent's Balances (d)	34.2 %
C. Delayed Remission [A x B]	0.34

III. Expected Loss and Loss Adjustment Expense Reserve

A. Direct Earned Premium (a)	1.00
B. Expected Loss and LAE Ratio (c)	0.621
C. Reserve to Incurred Ratio (e)	2.59
D. Expected Loss and Loss Adjustment Expense Reserve [B x C]	1.61

IV. Net Subject to Investment [I.F - II.C + III.D] 1.49

V. Average Rate of Return on Invested Assets (post-tax) (f)	3.9 %
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VI. Investment Earnings on Net Subject to Investment [IV. x V.]	5.8 %
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VII. Average Investment Income as a Percentage of Direct Earned Premium [VI. ÷ I.A]	5.8 %
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Notes: See Exhibit A-IV

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.**WORKERS COMPENSATION
ARKANSAS**

(a) Earned Premium is indexed to 1.00.

(b) From Transguard 2007 Annual Statement, Exhibit of Premiums and Losses, pages 2,3 & 4
All Lines of Business

(i) Unearned Premiums, Dec. 31, 2006	\$ 17,450,195
(ii) Unearned Premiums, Dec. 31, 2007	13,779,042
(iii) Mean Unearned Premium Reserve $\{[(i) + (ii)] / 2\}$	15,614,619
(iv) Premium Earned During 2007	50,544,182
(v) Mean Unearned Premium Reserve (% of EP)	0.31

(c) Based on Transguard expense loads underlying proposed rates.

(d) From Transguard 2007 Annual Statement, page 2, all lines

(i) Agent's Balances, Dec. 31, 2006	\$ 20,778,917
(ii) Agent's Balance Dec. 31, 2007	13,781,231
(iii) Average Agent's Balances $\{[(i) + (ii)] / 2\}$	17,280,074
(iv) Premium Earned During 2007 (all lines)	50,544,182
(v) Average Agent's Balances (% of EP)	0.34

(e) From Estimated Payout Pattern at Steady State
(Workers Compensation):

(i) Unpaid losses	\$ 2,354,545
(ii) Unpaid LAE,	235,455
(iii) Total Unpaid Losses $[(i) + (ii)]$	2,590,000
(iv) Losses Incurred,	1,000,000
(v) Reserve to Incurred Ratio $[(iii) \div (iv)]$	2.59

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.WORKERS COMPENSATION
ARKANSAS

DEVELOPMENT OF PROPOSED EXPENSE PROVISIONS

COUNTRYWIDE HISTORICAL EXPENSE EXPERIENCE

<u>Item</u>	<u>Percent of Direct Earned Premium (a)</u>
Commissions & Brokerage (b)	11.1 %
Other Acquisition Expenses (a)	8.0
General Expenses (a)	8.8
Premium Taxes and Fees (b)	5.9
Total	33.8 %

Notes: (a) Based on 2005, 2006 & 2007 Countrywide Insurance Expense Exhibit.
(b) Based on State experience

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

DERIVATION OF PROPOSED UNDERWRITING PROFIT

(1) Earned Premium (a)	1.000
(2) Imputed Surplus (b)	1.252
(3) Investment Income from Reserves (post-tax) (c)	0.058
(4) Investment Income from Surplus (post-tax) (d)	0.049
(5) Underwriting Profit (pre-tax) (f)	3.3%
(6) Underwriting Profit (post-tax) (g)	2.1%
(7) Total Income (post-tax) [(3) + (4) + (6)]	12.9%
(8) Return on Surplus [(7) ÷ (2)]	9.9%
(9) Underwriting Contingency	1.0%
(10) Underwriting Profit & Contingency [(5) + (9)]	4.3%

Notes: (a) Earned Premium is indexed as 1.00

(b) Based on ratio of Surplus to Net Earned Premium

(c) See Exhibit A-III

(d) Calculated as (2) x the estimated post-tax investment yield (see Exhibit A-II).

(f) Balanced so that total return (Line (8)) equals target rate of return from Exhibit A-I.

(g) [(5) x 65%]

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

WORKERS COMPENSATION ARKANSAS

DEVELOPMENT OF PROPOSED EXPENSE LOAD ALL CLASSES

Item	Transguard Proposed
(1) Production Expenses	19.1 % (a)
(2) General Expense	8.8 (a)
(3) Taxes, Licenses, and Fees	5.9 (b)
(4) Total	33.8 %
(5) Expected Loss and LAE Ratio [1.0 - (5)]	66.2 %

Notes: (a) See Exhibit A-V.
(b) Based on State rates

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

Development of Pure Premium Multiplier

A. Loss Related Items

1. Loss cost modification factor	1.000	
2. Trend factor	1.000	
3. Loss adjustment expense (LAE)	<u>1.000</u>	
4. Loss factor (A1 x A2 x A3)		1.000

B. Premium Related Items

6. Commission and brokerage	0.111	
7. Other Acquisition	0.080	
8. General Expenses	0.088	
9. Tax, Licenses and Fees	<u>0.059</u>	
10. Total Premium Related Expenses		0.338
11. Underwriting Profit & Contingencies	0.050	
12. Credit for investment income	<u>-0.007</u>	
13. Total premium related expense and profit (B10 + B11 + B12)		0.381
14. Expected loss and LAE ratio (1.00 - B13)		0.619

C. Overall impact of expense constant and minimum premium 1.011

D. Overall impact of size-of-risk discounts 0.976

E. Formula Loss Cost Multiplier (A4/[(D-B13)xC] 1.66

F. Selected Loss Cost Multiplier 1.66

TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.

Calculation of Projected Expenses

<u>Commission</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total/Average</u>	<u>Selected</u>
(1) Direct Written Premium (Page 14)	198,308	126,594	46,867	324,902	
(2) Commission & Brokerage (Page 14)	26,869	9,764	4,921	36,633	
(3) Commission & Brokerage as a percent of Direct Written Premium	13.55%	7.71%	10.50%	11.28%	
(4) Ratio of Direct Premium to Standard Premium	0.972	0.992	1.033	0.982	
(5) Commission & Brokerage as a percent of Standard Premium	13.17%	7.65%	10.84%	11.07%	11.1%
<u>Other Acquisition Expense</u>					
(6) Direct Written Premium (IEE)	29,860,000	19,595,000	10,441,000	49,455,000	
(7) Other Acquisition Expenses Incurred (IEE)	3,219,000	826,000	609,000	4,045,000	
(8) Other Acquisition Expense as a percent of Direct Written Premium	10.78%	4.22%	5.83%	8.18%	
(9) Ratio of Direct Premium to Standard Premium	0.972	0.992	1.033	0.982	
(10) Other Acquisition Expense as a percent of Standard Premium	10.48%	4.18%	6.02%	8.03%	8.0%
(11) Total Production Expense as a percent of Standard Premium	23.65%	11.84%	16.87%	19.11%	19.1%
<u>General Expense</u>					
(12) Direct Earned Premium (IEE)	29,300,000	23,627,000	12,538,000	52,927,000	
(13) General Expenses Incurred (IEE)	2,906,000	1,851,000	853,000	4,757,000	
(14) General Expense as a percent of Direct Earned Premium	9.92%	7.83%	6.80%	8.99%	
(15) Ratio of Direct Premium to Standard Premium	0.972	0.992	1.033	0.982	
(16) General Expense as a percent of Standard Premium	9.64%	7.77%	7.03%	8.83%	8.8%
<u>Taxes, Licenses & Fees - Arkansas</u>					
(17) Premium Tax	2.50%	2.50%	2.50%	2.50%	
(18) Combined Fund Allowance	3.00%	3.00%	3.00%	3.00%	
(19) Other Taxes, Licenses & Fees	0.40%	0.40%	0.40%	0.40%	
(20) Total Taxes, Licenses & Fees	5.90%	5.90%	5.90%	5.90%	
(21) Ratio of Direct Premium to Standard Premium	0.972	0.992	1.033	0.982	
(22) Taxes, Licenses & Fees as a percent of Standard Premium	5.74%	5.85%	6.09%	5.80%	5.9%
<u>Total</u> (23) (11)+(16)+(22)	39.03%	25.46%	29.99%	32.25%	

1.	This filing transmittal is part of Company Tracking #	WC AR0802701R01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	NCCI - National Council on Compensation Insurance, Inc. (NCCI) NCCI ITEM FILING #AR-2008-02

		Company Name	Company NAIC Number	
3.	A.	TRANSGUARD INSURANCE COMPANY OF AMERICA, INC.	B.	0225-28886

		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	Workers Compensation	B.	

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	-19.2%	-19.2%	.619	1.000	1.66	40	1.66
TOTAL OVERALL EFFECT	-19.2%	-19.2%					

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2004	43			124	964	777.4%	90.3%
2005	35			206	-629	-305.3%	86.0%
2006	37			134	92	68.7%	87.4%
2007	18			71	26	36.6%	65.8%

Expense Constants	Selected Provisions
A. Total Production Expense	19.1%
B. General Expense	8.8%
C. Taxes, License & Fees	5.9%
D. Underwriting Profit & Contingencies	4.3%
E. Other (explain)	0.0%
F. TOTAL	38.1%

10. -22.5% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable):